

AMENDED IN SENATE JUNE 15, 2006

AMENDED IN ASSEMBLY MAY 26, 2006

AMENDED IN ASSEMBLY APRIL 17, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 2515

Introduced by Assembly Member Ruskin
(Coauthor: Senator Kuehl)

February 23, 2006

An act to amend Section 25402 of the Public Resources Code, *and* to add Section 2714.5 to the Public Utilities Code, ~~and to amend Section 10631 of the Water Code~~, relating to water conservation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2515, as amended, Ruskin. Water conservation.

(1) Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission), after one or more public hearings, to take specified action to reduce the wasteful, uneconomic, inefficient, or unnecessary consumption of energy. Existing law requires the commission, by January 1, 2004, to amend specified regulations to require that residential clothes washers manufactured on or after January 1, 2007, be at least as water efficient as commercial clothes washers, and to take certain other related action.

This bill would require the Energy Commission, after one or more public hearings, to prescribe, by regulation, building and construction standards that increase the efficiency in the use of water for new residential and nonresidential buildings and water conservation design standards for new residential and nonresidential buildings. The bill

would authorize the Energy Commission to prescribe, by regulation, specified cost-effective measures that include water consumption labeling not otherwise preempted by federal law.

(2) Existing law authorizes the Public Utilities Commission (PUC) to regulate public utilities, including water corporations.

This bill would require the PUC to prepare and submit to the Legislature, *by January 1, 2008*, a report that describes and recommends an accounting method for evaluating the direct financial costs and benefits of water conservation and efficiency programs ~~to customers of water corporations subject to the jurisdiction of the PUC. The bill would require the PUC to include in the report recommendations with regard to the implementation of one or more water conservation and efficiency programs, the report to be~~ consistent with the policy objectives of the PUC's Water Action Plan, adopted December 15, 2005, *and to include specified matter.*

~~(3) Existing law requires an urban water supplier, as defined, to prepare and update every 5 years an urban water management plan for submission to the Department of Water Resources. Existing law authorizes an urban water supplier that submits annual reports to the California Urban Water Conservation Council in accordance with a specified memorandum to submit those reports identifying water demand management measures to the department for the purpose of meeting certain requirements in connection with the preparation of the supplier's urban water management plan.~~

~~This bill would authorize the urban water supplier to submit those reports for the purposes of meeting those requirements only if those reports document measures consistent with the requirements set forth in that memorandum.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 25402 of the Public Resources Code is
2 amended to read:
3 25402. The commission shall, after one or more public
4 hearings, do all of the following, in order to reduce the wasteful,
5 uneconomic, inefficient, or unnecessary consumption of energy
6 and water:

1 (a) Prescribe, by regulation, lighting, insulation climate control
2 system, and other building design and construction standards that
3 increase the efficiency in the use of energy and water for new
4 residential and new nonresidential buildings. The standards shall
5 be cost effective, when taken in their entirety, and when
6 amortized over the economic life of the structure when compared
7 with historic practice. The commission shall periodically update
8 the standards and adopt any revision that, in its judgment, it
9 deems necessary. Six months after the commission certifies an
10 energy conservation manual pursuant to subdivision (c) of
11 Section 25402.1, no city, county, city and county, or state agency
12 shall issue a permit for any building unless the building satisfies
13 the standards prescribed by the commission pursuant to this
14 subdivision or subdivision (b) that are in effect on the date an
15 application for a building permit is filed.

16 (b) Prescribe, by regulation, energy and water conservation
17 design standards for new residential and new nonresidential
18 buildings. The standards shall be performance standards and shall
19 be promulgated in terms of energy consumption per gross square
20 foot of floorspace, but may also include devices, systems, and
21 techniques required to conserve energy and water. The standards
22 shall be cost effective when taken in their entirety, and when
23 amortized over the economic life of the structure when compared
24 with historic practices. The commission shall periodically review
25 the standards and adopt any revision that, in its judgment, it
26 deems necessary. A building that satisfies the standards
27 prescribed pursuant to this subdivision need not comply with the
28 standards prescribed pursuant to subdivision (a). With respect to
29 energy conservation design standards, the commission shall
30 comply with this subdivision before January 1, 1981.

31 (c) (1) Prescribe, by regulation, standards for minimum levels
32 of operating efficiency, based on a reasonable use pattern, and
33 may prescribe other cost effective measures, including incentive
34 programs, fleet averaging, energy and water consumption
35 labeling not preempted by federal labeling law, and consumer
36 education programs, to promote the use of energy efficient
37 appliances whose use, as determined by the commission, requires
38 a significant amount of energy on a statewide basis. The
39 minimum levels of operating efficiency shall be based on feasible
40 and attainable efficiencies or feasible improved efficiencies that

1 will reduce the electrical energy consumption growth rate. The
2 standards shall become effective no sooner than one year after
3 the date of adoption or revision. No new appliance manufactured
4 on or after the effective date of the standards may be sold or
5 offered for sale in the state, unless it is certified by the
6 manufacturer thereof to be in compliance with the standards. The
7 standards shall be drawn so that they do not result in any added
8 total costs to the consumer over the designed life of the
9 appliances concerned.

10 (2) No new appliance, except for any plumbing fitting,
11 regulated under paragraph (1), that is manufactured on or after
12 July 1, 1984, may be sold, or offered for sale, in the state, unless
13 the date of the manufacture is permanently displayed in an
14 accessible place on that appliance.

15 (3) During the period of five years after the commission has
16 adopted a standard for a particular appliance under paragraph (1),
17 no increase or decrease in the minimum level of operating
18 efficiency required by the standard for that appliance shall
19 become effective, unless the commission adopts other
20 cost-effective measures for that appliance.

21 (4) Neither the commission nor any other state agency shall
22 take any action to decrease any standard adopted under this
23 subdivision on or before June 30, 1985, prescribing minimum
24 levels of operating efficiency or other energy conservation
25 measures for any appliance, unless the commission finds by a
26 four-fifths vote that a decrease is of benefit to ratepayers, and
27 that there is significant evidence of changed circumstances.
28 Before January 1, 1986, the commission shall not take any action
29 to increase any standard prescribing minimum levels of operating
30 efficiency for any appliance or adopt any new standard under
31 paragraph (1). Before January 1, 1986, any appliance
32 manufacturer doing business in this state shall provide directly,
33 or through an appropriate trade or industry association,
34 information, as specified by the commission after consultation
35 with manufacturers doing business in the state and appropriate
36 trade or industry associations on sales of appliances so that the
37 commission may study the effects of regulations on those sales.
38 These informational requirements shall remain in effect until the
39 information is received. The trade or industry association may
40 submit sales information in an aggregated form in a manner that

1 allows the commission to carry out the purposes of the study.
2 The commission shall treat any sales information of an individual
3 manufacturer as confidential and that information shall not be a
4 public record. The commission shall not request any information
5 that cannot be reasonably produced in the exercise of due
6 diligence by the manufacturer. At least one year prior to the
7 adoption or amendment of a standard for an appliance, the
8 commission shall notify the Legislature of its intent, and the
9 justification therefor, to adopt or amend a standard for the
10 appliance. Notwithstanding paragraph (3) and this paragraph, the
11 commission may do any of the following:

12 (A) Increase the minimum level of operating efficiency in an
13 existing standard up to the level of the National Voluntary
14 Consensus Standards 90, adopted by the American Society of
15 Heating, Refrigeration, and Air Conditioning Engineers or, for
16 appliances not covered by that standard, up to the level
17 established in a similar nationwide consensus standard.

18 (B) Change the measure or rating of efficiency of any
19 standard, if the minimum level of operating efficiency remains
20 substantially the same.

21 (C) Adjust the minimum level of operating efficiency in an
22 existing standard in order to reflect changes in test procedures
23 that the standards require manufacturers to use in certifying
24 compliance, if the minimum level of operating efficiency remains
25 substantially the same.

26 (D) Readopt a standard preempted, enjoined, or otherwise
27 found legally defective by an administrative agency or a lower
28 court, if final legal action determines that the standard is valid
29 and if the standard that is readopted is not more stringent than the
30 standard that was found to be defective or preempted.

31 (E) Adopt or amend any existing or new standard at any level
32 of operating efficiency, if the Governor has declared an energy
33 emergency as described in Section 8558 of the Government
34 Code.

35 (5) Notwithstanding paragraph (4), the commission may adopt
36 standards pursuant to commission order No. 84-0111-1, on or
37 before June 30, 1985.

38 (d) Recommend minimum standards of efficiency for the
39 operation of any new facility at a particular site that are
40 technically and economically feasible. No site and related facility

1 shall be certified pursuant to Chapter 6 (commencing with
2 Section 25500), unless the applicant certifies that standards
3 recommended by the commission have been considered, which
4 certification shall include a statement specifying the extent to
5 which conformance with the recommended standards will be
6 achieved.

7 Whenever this section and Chapter 11.5 (commencing with
8 Section 19878) of Part 3 of Division 13 of the Health and Safety
9 Code are in conflict, the commission shall be governed by that
10 chapter of the Health and Safety Code to the extent of the
11 conflict.

12 (e) The commission shall do all of the following:

13 (1) Not later than January 1, 2004, amend any regulations in
14 effect on January 1, 2003, pertaining to the energy efficiency
15 standards for residential clothes washers to require that
16 residential clothes washers manufactured on or after January 1,
17 2007, be at least as water efficient as commercial clothes
18 washers.

19 (2) Not later than April 1, 2004, petition the federal
20 Department of Energy for an exemption from any relevant
21 federal regulations governing energy efficiency standards that are
22 applicable to residential clothes washers.

23 (3) Not later than January 1, 2005, report to the Legislature on
24 its progress with respect to the requirements of paragraphs (1)
25 and (2).

26 SEC. 2. Section 2714.5 is added to the Public Utilities Code,
27 to read:

28 2714.5. (a) The commission shall prepare and submit to the
29 Legislature a report that describes and recommends an
30 accounting method for evaluating the direct financial costs and
31 benefits of water conservation and efficiency ~~programs,~~
32 ~~including, but not limited to, impacts on future water, energy,~~
33 ~~and wastewater treatment bills, to customers of water~~
34 ~~corporations.~~

35 ~~(b) The report described in subdivision (a) shall include~~
36 ~~recommendations with regard to the implementation of one or~~
37 ~~more water conservation and efficiency programs, consistent~~
38 ~~with the policy objectives of the commission's Water Action~~
39 ~~Plan, adopted December 15, 2005. programs.~~

1 ***(b) The report shall be consistent with the policy objectives of***
2 ***the commission's Water Action Plan, adopted December 15,***
3 ***2005, and include all of the following:***

4 ***(1) An evaluation of the impacts of water conservation and***
5 ***efficiency programs on future water, energy, and wastewater***
6 ***treatment costs to customers of water corporations.***

7 ***(2) Recommendations for the implementation of one or more***
8 ***water conservation and efficiency programs.***

9 ***(3) An examination of developing rates that remove the***
10 ***financial disincentive for water corporations to conserve water***
11 ***that exists in the current rate structure, while preserving***
12 ***continued revenue stability for water corporations as new rate***
13 ***structures are implemented.***

14 ***(c) The report shall be completed and submitted to the***
15 ***Legislature by January 1, 2008.***

16 **SEC. 3. Section 10631 of the Water Code is amended to read:**

17 **10631. A plan shall be adopted in accordance with this**
18 **chapter and shall do all of the following:**

19 **~~(a) Describe the service area of the supplier, including current~~**
20 **~~and projected population, climate, and other demographic factors~~**
21 **~~affecting the supplier's water management planning. The~~**
22 **~~projected population estimates shall be based upon data from the~~**
23 **~~state, regional, or local service agency population projections~~**
24 **~~within the service area of the urban water supplier and shall be in~~**
25 **~~five-year increments to 20 years or as far as data is available.~~**

26 **~~(b) Identify and quantify, to the extent practicable, the existing~~**
27 **~~and planned sources of water available to the supplier over the~~**
28 **~~same five-year increments described in subdivision (a). If~~**
29 **~~groundwater is identified as an existing or planned source of~~**
30 **~~water available to the supplier, all of the following information~~**
31 **~~shall be included in the plan:~~**

32 **~~(1) A copy of any groundwater management plan adopted by~~**
33 **~~the urban water supplier, including plans adopted pursuant to~~**
34 **~~Part 2.75 (commencing with Section 10750), or any other~~**
35 **~~specific authorization for groundwater management.~~**

36 **~~(2) A description of any groundwater basin or basins from~~**
37 **~~which the urban water supplier pumps groundwater. For those~~**
38 **~~basins for which a court or the board has adjudicated the rights to~~**
39 **~~pump groundwater, a copy of the order or decree adopted by the~~**
40 **~~court or the board and a description of the amount of~~**

1 groundwater the urban water supplier has the legal right to pump
2 under the order or decree. For basins that have not been
3 adjudicated, information as to whether the department has
4 identified the basin or basins as overdrafted or has projected that
5 the basin will become overdrafted if present management
6 conditions continue, in the most current official departmental
7 bulletin that characterizes the condition of the groundwater basin;
8 and a detailed description of the efforts being undertaken by the
9 urban water supplier to eliminate the long-term overdraft
10 condition.

11 (3) A detailed description and analysis of the location, amount,
12 and sufficiency of groundwater pumped by the urban water
13 supplier for the past five years. The description and analysis shall
14 be based on information that is reasonably available, including,
15 but not limited to, historic use records.

16 (4) A detailed description and analysis of the amount and
17 location of groundwater that is projected to be pumped by the
18 urban water supplier. The description and analysis shall be based
19 on information that is reasonably available, including, but not
20 limited to, historic use records.

21 (e) Describe the reliability of the water supply and
22 vulnerability to seasonal or climatic shortage, to the extent
23 practicable, and provide data for each of the following:

24 (1) An average water year.

25 (2) A single dry water year.

26 (3) Multiple dry water years.

27 For any water source that may not be available at a consistent
28 level of use, given specific legal, environmental, water quality, or
29 climatic factors, describe plans to supplement or replace that
30 source with alternative sources or water demand management
31 measures, to the extent practicable.

32 (d) Describe the opportunities for exchanges or transfers of
33 water on a short-term or long-term basis.

34 (e) (1) Quantify, to the extent records are available, past and
35 current water use, over the same five-year increments described
36 in subdivision (a), and projected water use, identifying the uses
37 among water use sectors including, but not necessarily limited to,
38 all of the following uses:

39 (A) Single-family residential.

40 (B) Multifamily.

1 ~~(C) Commercial.~~

2 ~~(D) Industrial.~~

3 ~~(E) Institutional and governmental.~~

4 ~~(F) Landscape.~~

5 ~~(G) Sales to other agencies.~~

6 ~~(H) Saline water intrusion barriers, groundwater recharge, or~~
7 ~~conjunctive use, or any combination thereof.~~

8 ~~(I) Agricultural.~~

9 ~~(2) The water use projections shall be in the same five-year~~
10 ~~increments described in subdivision (a).~~

11 ~~(f) Provide a description of the supplier's water demand~~
12 ~~management measures. This description shall include all of the~~
13 ~~following:~~

14 ~~(1) A description of each water demand management measure~~
15 ~~that is currently being implemented, or scheduled for~~
16 ~~implementation, including the steps necessary to implement any~~
17 ~~proposed measures, including, but not limited to, all of the~~
18 ~~following:~~

19 ~~(A) Water survey programs for single-family residential and~~
20 ~~multifamily residential customers.~~

21 ~~(B) Residential plumbing retrofit.~~

22 ~~(C) System water audits, leak detection, and repair.~~

23 ~~(D) Metering with commodity rates for all new connections~~
24 ~~and retrofit of existing connections.~~

25 ~~(E) Large landscape conservation programs and incentives.~~

26 ~~(F) High-efficiency washing machine rebate programs.~~

27 ~~(G) Public information programs.~~

28 ~~(H) School education programs.~~

29 ~~(I) Conservation programs for commercial, industrial, and~~
30 ~~institutional accounts.~~

31 ~~(J) Wholesale agency programs.~~

32 ~~(K) Conservation pricing.~~

33 ~~(L) Water conservation coordinator.~~

34 ~~(M) Water waste prohibition.~~

35 ~~(N) Residential ultra-low-flush toilet replacement programs.~~

36 ~~(2) A schedule of implementation for all water demand~~
37 ~~management measures proposed or described in the plan.~~

38 ~~(3) A description of the methods, if any, that the supplier will~~
39 ~~use to evaluate the effectiveness of water demand management~~
40 ~~measures implemented or described under the plan.~~

~~(4) An estimate, if available, of existing conservation savings on water use within the supplier's service area, and the effect of the savings on the supplier's ability to further reduce demand.~~

~~(g) An evaluation of each water demand management measure listed in paragraph (1) of subdivision (f) that is not currently being implemented or scheduled for implementation. In the course of the evaluation, first consideration shall be given to water demand management measures, or combination of measures, that offer lower incremental costs than expanded or additional water supplies. This evaluation shall do all of the following:~~

~~(1) Take into account economic and noneconomic factors, including environmental, social, health, customer impact, and technological factors.~~

~~(2) Include a cost-benefit analysis, identifying total benefits and total costs.~~

~~(3) Include a description of funding available to implement any planned water supply project that would provide water at a higher unit cost.~~

~~(4) Include a description of the water supplier's legal authority to implement the measure and efforts to work with other relevant agencies to ensure the implementation of the measure and to share the cost of implementation.~~

~~(h) Include a description of all water supply projects and water supply programs that may be undertaken by the urban water supplier to meet the total projected water use as established pursuant to subdivision (a) of Section 10635. The urban water supplier shall include a detailed description of expected future projects and programs, other than the demand management programs identified pursuant to paragraph (1) of subdivision (f), that the urban water supplier may implement to increase the amount of the water supply available to the urban water supplier in average, single-dry, and multiple-dry water years. The description shall identify specific projects and include a description of the increase in water supply that is expected to be available from each project. The description shall include an estimate with regard to the implementation timeline for each project or program.~~

1 (i) Describe the opportunities for development of desalinated
2 water, including, but not limited to, ocean water, brackish water,
3 and groundwater, as a long-term supply.

4 (j) Urban water suppliers that are members of the California
5 Urban Water Conservation Council and submit annual reports to
6 that council in accordance with the “Memorandum of
7 Understanding Regarding Urban Water Conservation in
8 California,” dated September 1991, may submit the annual
9 reports identifying water demand management measures
10 currently being implemented, or scheduled for implementation, if
11 those reports document measures consistent with the
12 requirements of that memorandum, to satisfy the requirements of
13 subdivisions (f) and (g).

14 (k) Urban water suppliers that rely upon a wholesale agency
15 for a source of water, shall provide the wholesale agency with
16 water use projections from that agency for that source of water in
17 five-year increments to 20 years or as far as data is available. The
18 wholesale agency shall provide information to the urban water
19 supplier for inclusion in the urban water supplier’s plan that
20 identifies and quantifies, to the extent practicable, the existing
21 and planned sources of water as required by subdivision (b),
22 available from the wholesale agency to the urban water supplier
23 over the same five-year increments, and during various
24 water-year types in accordance with subdivision (c). An urban
25 water supplier may rely upon water supply information provided
26 by the wholesale agency in fulfilling the plan informational
27 requirements of subdivisions (b) and (c).